Local Firms Emerge as Prime Spot for Women Leaders

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It may be easy to assume that the best CPA firms for women who want to become partner are large, national firms with established women's programs that formally guarantee a fair shot at success.

But a top trend emerging from the 2017 Accounting MOVE Project report (http://wilson-taylorassoc.com/wp-content/uploads/2012/04/2017-Accounting-MOVE-Project-Report.pdf) reveals that many local and smaller regional firms – those with 50 to 175 employees – are the new "sweet spot" for women who aspire to top leadership roles.

"We are starting to see women move up faster at local and small regional firms based on these firms' cultures," said Joanne Cleaver, president of Wilson-Taylor Associates Inc., the content strategy firm that manages the Accounting MOVE Project, the profession's only annual benchmark of the status of women in the leadership pipeline.

"In effect we've identified an organic 'sweet spot' where firms are large enough to offer substantial room for growth – and to offer several paths to partnership – but small enough to have strong and continuing mutual accountability among partners," she continued.

Many of these local firms with strong cultures for women are included on the [2017 Accounting MOVE Project Equity Leadership Firms list (https://www.afwa.org/2017/06/06/2017-best-public-accounting-firms-for-women/)](https://www.afwa.org/2017/06/06/2017-best-public-accounting-firms-for-women/). The annual list, which is sponsored by the Accounting & Financial Women's Alliance and the American Woman's Society of CPAs, recognizes firms with at least 50 employees, where women comprise at least 30 percent of partners and principals.

Cleaver said the underlying dynamics at these local and smaller regional firms, like *KWC CPAs* in Alexandria, VA, and *OUM & Co. LLP* in San Francisco, among others, is that they tend to have more partner accountability to ensure that women are consistently offered assignments that qualify for partnership.

"Their smaller size nearly guarantees more partner accountability because when there are 10 to 20 or so partners, it's pretty hard to obscure your own track record in retaining and advancing women in your chain of command," Cleaver said.

That accountability, she added, gets personal fast.

"Partners whose practices tend to lose women directly affect the firm's overall profitability, and that has a direct impact on the firm's resources for growth and on the overall economic benefit to the other partners," Cleaver said.

This is a dynamic that dilutes as firms grow, MOVE research shows, because factors that support the growth of women leaders don't tend to occur naturally or organically at firms that have more than 175 to 200 employees. Organic culture is not "caught" as much at these larger firms.

"There are too many people for osmosis to perpetuate strong culture," Cleaver said. "That's when firm leaders need to step in to coach firms to codify or formalize aspects of their culture that have been working to retain women so that they can build on their momentum as they grow."

A typical example is flexible work hours, she said. Smaller firms can somewhat get away with an "as needed" culture, but as the firm grows, flexible hours becomes haphazard and arbitrary as different partners adopt different rules for their own teams. Thus, the rules become inequitable.

"Firms must adopt a policy and apply it consistently to ensure that a strong aspect of culture becomes a reliable building block – a process that often needs to be formalized at larger firms," Cleaver said.

But smaller size is certainly not the definitive factor that creates an ideal culture for the advancement of women. If that were the case, there would be more smaller firms with high proportions of women in leadership. One of the key factors that distinguishes any of the local firms where women move up faster is the fact that these firms are also very entrepreneurial, consistently identifying innovative ways for women to gain business development skills and success.

For instance, some of these entrepreneurial firms on the Equity Leadership list, like *DZH Phillips LLP* and *Hood & Strong LLP*, both located in San Francisco, are evolving beyond "one size fits all" business development events, such as business dinners and golf outings. Instead, they are offering a buffet of events that offer more flexibility for scheduling and participation – a boon for women on alternative schedules who are pursuing partnership.

At Minneapolis-based *Lurie LLP*, another firm named to this year's Equity Leadership list, entrepreneurial solutions to advance women are a hallmark of the way the firm does business – and that's not just because its CEO and COO are both women.

Lurie never takes the retention of women for granted, Cleaver said. The firm consistently tries out genuinely fresh ideas, like its "future casting" program that challenges partner-potential associates to envision their ideal "firm of the future" and their role in such a firm. That program has resulted in a retention rate of women participants of more than 90 percent.

Lurie also handed a new practice development opportunity to a partner-potential new hire, who had responsibility for developing the culture for her new team along with building the business from scratch.

"That is a rare opportunity that shouldn't be rare," Cleaver said.

Other examples of local or smaller regional firms on the 2017 Equity Leadership list that take an entrepreneurial approach to female leadership include:

CS&L CPAs, Bradenton, FL: With women comprising more than half of the partners and 100 percent of managers, CS&L has future leaders ready in the pipeline. The firm creatively uses technology to connect its three offices, as well as for employees looking for flexible work options. The firm is committed to staying a locally-owned independent firm, and firm leaders attribute this ingrained family environment to the firm's high percentage of women in leadership positions.

Johanson & Yau, San Jose, CA: To continue attracting and retaining top talent, this firm is completing a full-scale rebranding effort, as well as modernizing its office space. The firm works closely with employees to design individual career paths, including flexible work schedules for new parents re-entering the workplace. In competition for accounting professionals with nearby Silicon Valley tech companies, the firm continuously evaluates its benefits and other programs to increase value to its employees.

OUM & Co., San Francisco: OUM recently added a director position to provide alternative partner-level career paths for employees who are not interested in the traditional partner role. The firm has achieved 33 percent women partners and more than 75 percent women managers in part through proactive one-on-one conversations with women employees to explore flexible work arrangements and alternative career paths to maximize their success and satisfaction.

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